

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

AN ADJUSTMENT OF RATES	)	
OF PARKSVILLE WATER	)	CASE NO. 8365
DISTRICT	)	

INTERIM ORDER

On October 9, 1981, Parksville Water District ("Parksville") filed an application with this Commission giving notice of an interim adjustment of rates to become effective November 1, 1981, and a permanent increase when ordered by the Commission. The proposed interim rates would produce additional revenue of \$61,987 annually, an increase of 94.5 percent based on test year revenue. By Commission Order, the effective date of the proposed tariffs was suspended until April 1, 1982, pursuant to the provisions of KRS 278.190. On November 23, 1981, Parksville amended its application to request approval of a purchased water adjustment clause in addition to the permanent increase.

This Order addresses Parksville's request for an interim increase in rates because of increased wholesale water costs from its water supplier, the City of Danville. Based on the actual purchases during the test year, Parksville's cost of water would increase by approximately \$.37 to \$.67 per 100 cubic feet. This is an increase of 81 percent over the rate charged by Danville prior to July 1, 1981. Parksville's financial condition will not permit absorption of a cost increase of this magnitude.

### SUMMARY

The Commission, after consideration of the evidence of record, finds that:

(1) Parksville experienced a 47 percent line loss during the test year.

(2) Parksville should be limited to a 15 percent line loss and thus should be granted an interim increase of \$18,087 because of the increased costs from its water supplier, the City of Danville, effective July 1, 1981.

(3) The interim rate should be subject to refund pending a final determination of Parksville's request for permanent rate relief.

(4) The quantity of water lost in the utility's distribution system is excessive. As a corrective measure, the utility should establish and maintain an ongoing program for leak detection and correction and file monthly reports with this Commission until such time as its distribution system losses have been reduced to 15 percent or less for 3 successive months. These reports should include gallonage and percentage of water purchased, sold, used by the utility, and unaccounted for.

IT IS THEREFORE ORDERED that the interim rates in Appendix A, attached hereto and made a part hereof, are approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that the revenue from this interim rate shall be collected subject to refund.

IT IS FURTHER ORDERED that Parksville shall maintain its records in such manner as will enable the Commission or any of its customers to determine the amounts to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that Parksville shall furnish the Commission within 20 days after the date of this Order its revised tariff sheet setting forth the interim rates approved herein.

IT IS FURTHER ORDERED that Parksville shall begin immediately to file monthly reports to the Commission setting out the gallons of water purchased and sold and the progress of its efforts to reduce line loss to an acceptable level.

Done at Frankfort, Kentucky, this 20th day of January, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz  
Chairman

Katherine Randall  
Vice Chairman

Lynn Carrigan  
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC  
SERVICE COMMISSION IN CASE NO. 8365  
DATED JANUARY 20, 1982

The following rates are prescribed for customers served by Parksville Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this order.

Class C

<u>Gallage Block</u>		<u>Monthly Rate</u>
First	1,000 gallons	\$ 5.03 Minimum
Next	2,000 gallons	1.78 per 1,000 gallons
Next	2,000 gallons	1.53 per 1,000 gallons
Over	5,000 gallons	1.38 per 1,000 gallons

Class B

<u>Gallage Block</u>		<u>Monthly Rate</u>
First	4,000 gallons	\$ 7.87 Minimum
Next	6,000 gallons	1.38 per 1,000 gallons
Over	10,000 gallons	1.28 per 1,000 gallons

Class A

<u>Gallage Block</u>		<u>Monthly Rate</u>
First	15,000 gallons	\$ 22.95 Minimum
Over	15,000 gallons	1.28 per 1,000 gallons

Class FC

<u>Gallage Block</u>		<u>Monthly Rate</u>
First	1,000 gallons	\$ 3.53 Minimum
Over	1,000 gallons	1.28 per 1,000 gallons